

EXHIBIT "A"
CITY OF ENTIAT
SMALL AND ATTRACTIVE ITEMS
POLICY AND PROCEDURES

The following policies and procedures documents a small and attractive system designed to ensure controls over items that might not be noticed immediately after their disappearance. The intent of this policy is to obtain accountability over items that do not meet the criteria of a fixed asset and would **NOT** be noticed immediately upon disappearance or replacement.

1. POLICY

It is the policy of the city to maintain accountability over all tangible items that may have the likelihood of disappearing without being noticed. The Departments shall maintain records to be verified by a physical inventory at least once a year and provide such list to the Treasurer for monitoring difference between years.

PURPOSE

A small and attractive items system gathers information allowing investigation of items missing that would otherwise not be noticed. The system should provide adequate stewardship over its resources through control and accountability.

A. GENERAL

A small and attractive item is an item that is priced under the \$5,000 criteria for fixed assets and has a life expectancy of more than one year. This item also is not likely to be missed immediately upon disappearance and could be replaced without suspicion during voucher audits. Examples include, but are not limited to: cameras, guns, shop tools, etc.

B. RESPONSIBILITY OF DEPARTMENT HEADS

Each Department Head or their designee will prepare a list at least annually of their small and attractive items. This list will be provided to the City Treasurer **by January 31st** each year for monitoring.

If an item is deleted, the Department Head will note the reason and/or means of disposal.

C. ASSET IDENTIFICATION

The list will contain the serial, model, or other identifying information.

Whenever feasible, each piece of property will be engraved or marked with the city's name. Such markings will be removed or obliterated only when the item is sold, scrapped, cannibalized, or otherwise disposed of.

II. PROCEDURES

A. ADDITIONS

The city may acquire property via purchase, construction, donation, or lease. Regardless of how it is acquired, when the property is received, the purchasing department/fund will add it to their small & attractive data base listing and mark the item with the city's name (these items should be coded as object code 35 according to the BARS manual.)

B. DELETIONS

Items previously acquired will eventually be disposed of and need to be deleted from the departments list. Deletion may be required due to a sale of the asset, scrapping, mysterious disappearance (lost or stolen), or involuntary conversion (fire, flood, etc).

The department head controlling the item is the only one in position to trigger removal from their list.

Items disappearing mysteriously may require additional reports to the police department, Mayor, and Insurance Company. Deletions brought about as a result of natural disasters would require reporting to the insurance provider for an eventual reimbursement claim.

C. TRANSFERS

Occasional transfers of property between departments, individuals within a department or funds will occur. The original controlling department/fund is accountable for all items and for initiating a notice of transfer.

Interdepartmental transfers involving a proprietary fund (i.e. Water/Sewer) need to have a transfer of money. The sale price will be fair market value, which may result in a gain or a loss on sale of fixed assets. Interdepartmental transfers or intergovernmental (i.e. city to County or State) do not require the city to declare the item surplus or to do a public notice.

D. LOST OR STOLEN ASSETS

Whenever an item has mysteriously disappeared and all efforts have failed to recover it, the controlling department/fund shall notify the fiscal department, who will give a copy to the Mayor and the Police Chief, using the form shown on the following page in Exhibit A. Ninety days after notification, if the item hasn't been found, the Department Head will send a memo informing the mayor, the City Clerk, and the Treasurer.

E. DONATED ASSETS

Assets are sometimes donated to the City. If the donation is cash to be used in conjunction with the construction of specific asset, the donation is reported as revenue (367 contribution and donations from private sources) in governmental funds; in proprietary funds, such donations are treated as contributed capital.